

Oppose H.B. 5204 –AN ACT CONCERNING A NEEDS ASSESSMENT AND FAIR SHARE PLANS FOR MUNICIPALITIES TO INCREASE AFFORDABLE HOUSING.

Senator Lopes, Representative Williams, Senator Cicarella, Representative Polletta, and members of the committee, my name is Tara Restieri. I am a member of the Greenwich RTM and Greenwich Board of Human Services. I write today in opposition to HB5204.

HB5204 seeks to bypass local authority to regulate land use in a “one size fits all approach” to property development. I would argue that local planning and zoning is not only necessary to consider and evaluate all development projects, including affordable housing; but they are in the best position to do that effectively. Why? Because local planning and zoning have the best information to consider developmental impact on the community’s environment, infrastructure, sewer capacity, preservation, historical assets, and school capacity to name a few.

Under existing statute CGS 8-30g towns are due to submit affordable housing plans to the state by June 1, 2022. Towns have already been doing needs assessment and considering programs and plans that will support more affordable and attainable housing in their communities. These should be given the opportunity to be put into place before inferring another process (or law) is needed to achieve the same goal.

HB5204 (lines 47-48) proposes that the Comprehensive Housing Affordability Strategy, or CHAS be used to determine the minimum (number?) need of affordable units. As per CHAS legislation HUD will evaluate “the extent of housing problems and housing needs, particularly for low income households.” However, what this bill neglects to reflect is the next statement made by HUD in regards to the use of CHAS. **HUD goes further to state that “CHAS data should be used by local governments to plan how to spend HUD funds.” Note! They say LOCAL!**

It has been stated by proponents of HB5204 that “much of this new affordable housing will be built without subsidies, through “Inclusionary development” without cost to taxpayers. This is simply not true.

According to the Urban Institute (a DC based nonprofit research organization that provides data and evidence to help advance upward mobility and equity) the primary source of “inclusionary development funding” is the Low-Income Housing Tax Credit (LIHTC), a federal tax credit administered by state agencies.

Urban Institute goes further to state that “tax credits aren't guaranteed.” It is the State that allocates LIHTC credits through a competitive process that varies by state and in most places has many more applications than available credits. So where will that leave us in our attempt to build 300,000 affordable units? It will place the burden on the Connecticut taxpayer.

In addition, most affordable housing financing deals involve multiple sources of funding. It is not uncommon for developers to rely on upward of 20 financing sources as they try to fill the gap between cost and available funds. Are we still saying that the secretary and Housing Commissioner are going to assist in finding these sources of funding so that there is “no cost to taxpayers” across the 169 towns in Connecticut?

And then there's rental assistance; while this can help a developer confidently tell lenders and investors that they will have renters and those renters will be able to pay (because the government is actually paying much of the rent) and ensures that the developer will make a profit; only about one in four people with incomes low enough to qualify for housing assistance actually receive it!

I urge you to evaluate needs and allow local government to implement the affordable housing plan. Fair Share simply will not work.